

Message Text

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ACTION EB-06

INFO OCT-01 IO-10 ISO-00 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 FRB-01 H-01 INR-05 INT-05 L-02 LAB-01 NSAE-00

NSC-05 PA-01 RSC-01 AID-05 CIEP-01 SS-15 STR-01

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

SWF-01 ABF-01 AF-04 ARA-06 EA-06 EUR-12 NEA-06 OIC-02

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P 151717Z NOV 74

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 9251

INFO USUN NEW YORK PRIORITY 1115

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E.O. 11652: N/A

TAGS: ETRD GATT AORG

SUBJECT: GATT STAFF COMPLAINTS ON SALARIES AND ALLOWANCES

REF: A. GENEVA 6924; (B) STATE 249415

BEGIN SUMMARY: GATT STAFF HAS BROADENED THEIR ATTENTIONS TO COMPLAINTS ON FULL SYSTEM OF ADJUSTING SALARIES AND ALLOWANCES. ISSUE LIKELY TO BE AIRED AT GATT CONTRACTING PARTIES SESSION NOVEMBER 19-21. END SUMMARY.

1. GATT BUDGET COMMITTEE HELD ANOTHER SESSION NOVEMBER 15 TO DISCUSS HANDLING OF STAFF ASSOCIATIONS PRESENTATION AT NOV 19-21 CONTRACTING PARTIES SESSION OVER ALLEGED INADEQUACY OF ENTIRE U.N. COMMON SYSTEM OF SALARIES AND ALLOWANCES FOR GENEVA PERSONNEL. STAFF ASSOCIATION APPEARS HAVE BRUSHED ASIDE PROCCUPATION WITH MORE LIMITED ISSUE OF 1975 PENSION FUND(REFTEL (AAL. WE INFORMALLY ADVISED
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THAT PERHAPS 20 PERCENT OF GATT STAFF IS RADICAL ON

REMUNERATION ISSUE; MOST OF OTHERS ARE CONCERNED BUT MORE REALISTIC ABOUT PROPECTS FOR CHANGE. LINDEN, MODERATE GATT OFFICIAL WHO MAY ADDRESS CP SESSION, IS CONCERNED THAT RADICALS WILL TAKE CONTROL OF EVENTS IF CPS TURN DEAF EAR.

2. BUDGET COMMITTEE CHAIRMAN(CLARK) PRESENTED COMMITTEE WITH DRAFT RESPONSE WHICH WOULD HAVE REITERATED COMMITTEE'S POSITION THAT SOLUTION MUST BE FOUND WITHIN COMMON SYSTEM. HOWEVER, DRAFT REPEATEDLY REFEREED TO RECONGITION THAT COMMON SYSTEM OF POST ADJUSTMENTS WAS INADEQUATE AND THAT "REMEDY"URGENTLY NEEDED TO "CORRECT INEQUITY" WHICH HAS RESULTED. DRAFT WOULD HAVE COMMITTED BUDGET COMMITTEE'S UPCOMING WORKING PARTY TO URGENT EXPLORATION OF REMEDIAT MEASURES. BASED ON REFTEL (B), U.S. (SPRUCE) TOOK STRONG EXCEPTION TO THIS APPROACH, URGED OTHER GOVERNMENTS FOCUS ON ALREADY OVER-COMPENSATED U.N. COMMON SYSTEM, EMPHASIZED THAT POST ADJUSTMENT SYSTEM NOW TAKES ACCOUNT OF DEPRECIATION OF DOLLAR SALARIES AGAINST SWISS FRANC, AND TOLD COMMITTEE IT WOULD ONLY PROVOKE GATT STAFF TO PROMISE SOMETHING IT COULDN'T LATER DELIVER. U.S. EQUALLY URGED THAT NEGATIVE RESPONSE NOT RPT NOT BE SO HARSH AS TO PROVOKE STAFF.

3. NO OTHER MEMBERS AT FIRST WILLING JOIN US AND ACKNOWLEDGE U.N. POST ADJUSTMENT SYSTEM IS ADEQUATE. U.S. OFFERED BY ISOLATED FROM MAJORITY VIEW IF NECESSARY, BUT COMMITTEE THEN AGREED TO OUR CHANGES. FRG AND FRANCE WERE FIRST TO GO ALONG. COMMITTEE'S DRAFT RESPONSE NOW RECONGIZES SERIOUSNESS OF STAFF CONCERNS (NOT"PROBLEMS"), HOLDS U.N. COMMON SYSTEM RULES MUST CONTIUNE APPLY, AGREES TO HAVE WORKING PARTY HEAR OUT COMPLAINTS (BUT NOT TO "CORRECT" SITUATION).

4. STAFF ASSOCIATION ALSO CONSIDERING ASKING CPS TO DISTRIBUTE SURPLUS 1974 FUNDS TO COMPENSATE STAFF FOR "LOSSES INCURRED" DUE DEPRECIATION OF DOLLAR SALARIES. BUDGET COMMITTEE HAS AGREED THIS NOT POSSIBLE; U.S. LIMITED OFFICIAL USE

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POINTED OUT TO COMMITTEE THAT POST ADJUSTMENT SYSTEM COMPENSATES FOR THIS. EXCEPTION IS THAT SALARY ADJUSTMENT IS NET RATHER THAN GROSS, TO ACCOUNT FOR FACT THAT INTERNATIONAL EMPLOYEES DO NOT PAY TAXES. THIS IS WHERE MUCH OF "LOSS " OCCURS.

5. BUDGET COMMITTEE HAS BEEN FORCED HOLD THESE SESSIONS IN PRIVATE WITHOUT AID OF INTERPRETERS OR SECRETARIAT

RECORDS, AS NORMAL GATT CONFIDENTIALITY HAS BEEN BORKEN BY SOME STAFF MEMBERS, PRESUMABLY INTERPRETERS. FRG DELEGATE HAS GOTTEN HARASSING TELEPHONE CALLS AT HIS HOME BECAUSE OF POSITION TAKEN HIS DEL AT OCTOBER BUDGET COMMITTEE SESSION.

6. AS INDICATED REFTEL (A), STAFF IS BUSY LINING UP DELEGATIONS TO SPEAK IN THEIR BEHALF AT CP SESSION. FRENCH, CANADIAN MISSIONS ARE RECOMMENDING THEIR OWN DELEGATIONS SPEAK IN SUPPORT OF BUDGET COMMITTEE CHAIRMAN'S RESPONSE. BELIEVE WE SHOULD DO SAME IF NEED ARISES; WE SHOULD SAY WE FEEL IT IMPORTANT CPS LISTEN CAREFULLY TO STAFF CASE, SEE UPCOMING BUDGET COMMITTEE WP AS APPROARIATE FORUM, AGREE ALL SOLUTIONS SHOULD BE COMPATIBLE WITH U.N. COMMON SYSTEM, APPRECIATE COMPETENCE OF GATT STAFF, NOTE THAT INFLATION AND CURRENCY DEPRECIATION HAVE AFFECTED MANY GOVERNMENTS AND COUNTRIES. IF RESPONSE REFTEL (A) ON PENSIONS INDICATES THERE IS PROSPECT OF CHANGE IN PENSIONS, WE SHOULD ADD THAT AS WELL.

7. COMMENT: MISSION STILL BELIEVES INADEQUACY OF GATT DOLLAR PENSIONS FOR GENEVA-BASED PENSIONERS IS MOST IMPORTANT SINGLE ISSUE. THIS EXACERBATES THE POST-ADJUSTMENT ISSUE, AS COMPENSATIONS FOR DOLLAR APPRECIATION ARE MADE IN FORM OF SUPPLEMENTARY ALLOWANCES AND NOT IN BASIC (PENSIONABLE) SALARY.

8. ACTIONS REQUESTED: A. PLEASE RESPOND BY PRIORITY CABLE TO ACTION REQUEST IN REFTEL (A) ON PROSEPECTS FOR SOME CHANGE IN PENSION SYSTEM FOR PENSIONERS NOT LIVING IN DOLLAR AREA. B. PLEASE INDICATE BEFORE NOV 19 CP SESSION WHETHER DEPARTMENT CONCURS IN PROPOSED U.S. LIMITED OFFICIAL USE

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RESPONSE AT CP SESSION, PER PARA 6 ABOVE.DALE

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